

AUDIT COMMITTEE CHARTER

A.C.A. §§ 24-7-301-305

1. There shall be an Audit Committee composed of three members of the Board appointed by the Board Chair and two at-large members from the public with extensive auditing experience approved by the Board. The at-large members must be independent and have no affiliation with the System.
1. The committee shall meet as needed on call by either the committee chair or the Executive Director.
2. The committee will have no direct authority over the staff, but will work through the Executive Director to achieve its objectives.
3. The committee will assist the Board in fulfilling the Board's oversight responsibility relating to:
 - A. The quality and integrity of the System's financial statements
 - B. The financial reporting process
 - C. The System's of internal accounting and financial controls
 - D. The performance of the System's internal audit function
 - E. The compliance of the System with ethics policies and legal and regulatory requirements
4. The agenda will be set by the committee chair after conferring with the Executive Director and will be furnished in advance when practical.
5. The committee may act by majority consent of all the members of the committee.
6. The actions taken by the committee shall be reported at the next regularly scheduled meeting of the Board.
7. The committee shall periodically evaluate itself and report the results to the Board at the first regularly scheduled meeting of the calendar year.
8. The committee will periodically review its charter, as well as the committee's compliance with its provisions, and submit any recommended changes to the Board. The Board must approve any changes to the charter.

Adopted: December 3, 2007